

# Meet Freedom Industries, the Company Behind the West Virginia Chemical Spill

By Paul M. Barrett January 13, 2014



Photograph by Ty Wright for the Washington Post via Getty Images

The Freedom Industries site in Charleston, West Virginia on Jan. 11

Some 300,000 residents of Charleston, W.Va., and environs are going into their fifth day without tap water for drinking, cooking, or bathing after a coal-processing chemical leaked into the local water supply from a plant on the Elk River. That plant is owned by a closely held company called Freedom Industries. Many West Virginians, not to mention state and federal investigators, have questions about Freedom Industries. Some preliminary answers:

## **How long has this outfit been around?**

About two weeks, in its current form. Freedom Industries is the product of a merger effective Dec. 31, 2013, that combined Etowah River Terminal, the facility where the leak occurred, Crete Technologies, and Poca Blending, located in nearby Nitro. A predecessor company called Freedom Industries was formed in 1986, according to our colleagues at [Bloomberg News](#). How the pieces of the newly formed mini-conglomerate fit together merits urgent inquiry, as does the question of whether there's any connection between the corporate mash-up and the fateful

opening of a one-inch hole that allowed a noxious chemical to escape.

### **Who's behind Freedom Industries?**

Gary Southern, company president, has been speaking on behalf of Freedom. Legal filings show that Southern is also the president of a company called Enviromine Inc., which supplies “environmental chemistries and services” to coal companies.

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At the same time, Freedom's website list Dennis P. Farrell as president. That clearly needs sorting out. According to the Charleston Gazette, Farrell was the “organizer” of Etowah River Terminal, the Freedom facility where the seepage occurred. The local paper also noted that Farrell's girlfriend, Kathy Stover-Kennedy, has defended him on her Facebook page. “I'm not asking for anyone's sympathy,” Stover-Kennedy wrote on Jan. 10, “but a little empathy wouldn't hurt. And just so you know, the boys at the plant made and drank coffee this morning! I showered and brushed my teeth this morning and I am just fine!”

One hopes, of course, that Stover-Kennedy and the boys at the Freedom Industries plant are still feeling good. The chemical that got into the Charleston-area water—7,500 gallons at last count—is known as 4-methylcyclohexane methanol, or MCHM. It's used to “wash” coal to remove impurities and pollutants before burning. The American Association of Poison Control Centers says it's harmful if swallowed or inhaled. MCHM can cause eye and skin irritation, nausea, and vomiting. More than 70 people have sought treatment for those symptoms since the contamination prompted President Barack Obama to declare a federal emergency.

### **Anybody else interesting behind Freedom Industries?**

Well, yes. State records in West Virginia show that a man named Carl L. Kennedy II joined Gary Southern in forming the company years ago. A well-known restaurant owner and man-about-town in Charleston, according to the *Gazette*, Kennedy is a twice-convicted felon. The paper reported on Sunday that he pleaded guilty in federal court in West Virginia in 2005 to tax evasion and was sentenced to three years in prison, a penalty that was reduced after he agreed to wear a wire and make controlled cocaine buys in a separate investigation. Kennedy had some background in the cocaine field; in 1987 he “pleaded guilty to selling between 10 and 12 ounces of cocaine in connection with a scandal that toppled then-Charleston Mayor Mike Roark,” the *Gazette* explained. Kennedy apparently no longer works at Freedom Industries. In another twist, Stover-Kennedy, Farrell's friend and the Facebook defender of Freedom Industries, is Kennedy's ex-wife, according to *Gazette* archives.

### **What exactly does Freedom Industries do and why was its chemical facility so close to the river that feeds into the Charleston water supply?**

According to its website, the company is “a full-service producer of specialty chemicals for the mining, steel, and cement industries.” The Etowah River Terminal, where the company's corporate office is located, sits along the Elk River near the intake facilities for the West Virginia division of American Water Works (AWK), the largest publicly traded water utility in the U.S. The Freedom website notes that its location makes the Etowah terminal accessible by barge and truck; barges travel on rivers. One imagines that the lawyers who are already filing damage lawsuits may have some interest in the terminal's proximity to the water supply, an issue that could come back to haunt not only Freedom Industries but also American Water Works, a corporation with far deeper pockets and, presumably, more extensive liability insurance policies.

More questions—and answers—to come in the days ahead.



Barrett, an assistant managing editor and senior writer at *Bloomberg Businessweek*, is working on a book about the Chevron oil pollution case in Ecuador, which is scheduled for publication by Crown in 2014. His most recent book is *GLOCK: The Rise of America's Gun*.